

**LEGISLATIVE PRIORITIES FOR THE
2004 GENERAL ASSEMBLY SESSION**

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LEGISLATIVE PRIORITIES

A. City Charter Change: Meetings of Council

Specific references to the date and time of the first July meeting following elections for City Council currently impede efficient calendar planning. This first meeting should be generalized so that the organizational ceremony of the Council can be held at the same time as the regular weekly meeting. It is recommended that the specific time references (1:00 p.m. / 8:00 p.m.) in the City Charter Section 12 be deleted. A new provision should be added which allows the annual meeting to be held at a time that is compatible with the swearing in of newly elected and/or reelected Council members.

B. City Charter Change: Design Enhancement Districts

In support of our *Come Home to Norfolk* Campaign, the City needs to develop a Design Enhancement District program. This program would help establish appropriate design guidelines and standards for renovation and construction of housing on a neighborhood level to help foster compatibility with existing structures. The City Charter should be amended to enable the adoption of a design review process and establishment of such districts.

C. City Charter Change: Unclassified Employees

Two changes are needed in the definition of unclassified employees:

1. Amend the Norfolk City Charter to make Police officers at the two ranks below Chief (Assistant and/or Deputy Chief) be part of the unclassified service. Current police officers in those positions would be grandfathered. This change will enable the Norfolk Police Chief to ensure a cohesive and effective leadership team to provide consistent policing philosophies throughout the Police Department.
2. Amend the charter to place positions that directly report to the City Manager, such as Assistants to the City Manager, in the unclassified service. It is appropriate for such positions to be unclassified like all other direct reports such as department directors and Assistant City Managers that require the personal trust and confidence of the City Manager.

D. Check Cashing Facilities

Payday lending practices by check cashing facilities are an issue in Norfolk. Since the passage of the 2002 Pay Day Lending Act, a proliferation of payday lending businesses have opened, thereby exacerbating the practices that are detrimental to military personnel and those with low to moderate incomes. The City supports the recommendations of the Virginia Military Advisory Council that will prohibit individuals from having more than one outstanding loan at a time.

E. FOIA Audit Investigation Exemptions

The City Auditor requests that internal investigations by the Auditor's Office be precluded from the FOIA. Virginia Code 2.2-3705 A.43 includes audit exemption for state audit offices and Fairfax County. Specifically, only the State Auditor of Public Accounts, Joint Legislative Audit and Review Commission, Department of State Internal Auditor Fraud Hotline, and the urban county form of government are included for exemptions in the VA code. The City requests that this section be amended to include auditors of cities in the Commonwealth.

F. Live Near Work Program

The City of Norfolk is establishing a program to provide small, low interest and potentially forgivable loans to City employees to go towards the purchase of a home in the City. Currently there is no provision in VA code authorizing the City to undertake such a program. VA Code section 15.2 Chapter 11 should be amended to authorize cities to undertake a program of this nature. The County Manager Plan of government is already permitted to do this under the authority of 15.2-720.1.

APPROPRIATION REQUESTS

A. Norfolk Cruise Terminal

Background: In 2000, the Virginia Port Authority formally requested that the City of Norfolk begin handling homeport cruise activity at the Nauticus pier. Previously, the City had only handled limited stopover calls. In May 2001, Norfolk City Council appropriated \$2.0 million to strengthen the Nauticus pier to handle these mammoth ships. In October 2001, the first mega-cruise ship made port in downtown Norfolk.

Requirements for Federal Inspection Stations (FIS) for Customs, Immigration and Naturalization Service and US Department of Agriculture have increased dramatically since 9/11. In order to continue to accommodate homeport cruise ship activity in the Commonwealth, the City appropriated \$800,000 to build an interim FIS and has committed to constructing a full-scale terminal adjacent to the Nauticus pier.

In 2002, Norfolk conducted a study to determine the feasibility of building a cruise terminal to accommodate the increasing number of cruise ship calls. This process involved the community, business sector, federal agencies, cruise lines and regulating agencies. This study, along with a separate study funded by VTC, concluded that downtown Norfolk is the best and perhaps only location in the Commonwealth to accommodate homeport cruise activity.

Based upon the favorable results of this process, the City of Norfolk appropriated the funds in its FY-04 budget to design a cruise terminal and to construct temporary facilities to handle the 2004 & 2005 activity.

City Position: The City requests that the Commonwealth of Virginia be a partner in funding the Norfolk Cruise facility by appropriating monies in the 2004-2005 biennial budget.

Status Update: Seeking inclusion in Governor's budget for appropriation.

B. Dune Rebuilding in Ocean View

Background: Hurricane Isabel stripped away vital dune protection along our seven-mile bay front beaches. The extreme erosion that occurred during the storm has left many properties vulnerable to any future storm that may arise. The City committed over \$4 million for sand replenishment along our beaches prior to the storm. Now, the City must also contend with the rebuilding of protective dune system over and above the natural sand replenishment that began in early fall.

City Position: The Commonwealth has been a partner in protecting our shoreline for many years, and the City of Norfolk requests emergency assistance for rebuilding the protective dune system along the City's seven-mile shoreline.

C. Dredging of Pretty Lake and Broad Creek

Background: The communities along Pretty Lake (connected to Little Creek) and Broad Creek have a unique opportunity to develop into a *more* vibrant and economically healthy *neighborhood* due to the redevelopment efforts currently underway. The dredging of these waterways is a critical piece to enhancing the area's turnaround and marketability.

City Position: The Commonwealth has been a partner in the deepening of our waterways for many years. The City requests that that Commonwealth provide financial support for the dredging of these two waterways.

CRITICAL ISSUES TO MONITOR, SUPPORT OR OPPOSE

A. Tax Restructuring

Background: The General Assembly is conducting the fifth tax related study in the Commonwealth of Virginia in a decade. It has been argued and substantiated for several years now that there are inequities in the current Virginia tax code, that there are significant revenues needed for basic government services, and that there remains an inability for cities to operate efficiently within today's tax structure.

The City of Norfolk is prepared to assist and respond to proposals and recommendations brought forth by the Governor, the General Assembly and the SJR 347 Commission on the Revision of Virginia's State Tax Code and the Streamlined Sales Tax Project Agreement. The City is using the following guiding principles as a basis of responding to these varied proposals.

City Position: The Commonwealth of Virginia should correct inequities in the state and local tax structure so that localities can raise equitable and adequate revenues necessary to meet increased levels of demand for services and increases in the cost of providing those services.

The City of Norfolk and other central cities have identified four viable options to address the inequities of the state and local tax structure. These options are explained as follows:

1. Adjust the composite index for the standards of quality for public education in order to reflect more accurately local ability to fund this program. There are a number of factors used in this formula that do not reflect the cost of services and revenue efforts made by cities.
2. Distribute a percentage of state income tax to local governments. Many central cities including Norfolk have expressed interest in a formula that recognizes the fiscal stress and service delivery responsibilities of Virginia's cities.
3. Consider that the state assume expanded or total services responsibilities for one or more of these areas: jails, sheriffs, constitutional officers, health departments, social services, public transportation, courts and the Comprehensive Services Act.
4. The General Assembly is urged to provide more incentives in urban rebuilding efforts.

Status Update: Final position pending release of the SJR 347 final report and recommendations of Governor Warner.

B. Telecommunications Taxation

In 2002, Virginia's telecommunications industry lobbied for the formation of a legislative study subcommittee to reform taxation of the telecommunication industry. The study committee met a few times in 2002, and was approved for continuation in the 2003 legislative session. Since September of 2002, representatives of VACo and Virginia Municipal League have worked with industry representatives to formulate an acceptable plan of reform.

The current "Industry Proposal" calls for replacing the current telecommunications tax structure with a new 4½% sales tax and reduced 911 fees. The City of Norfolk could lose several millions of dollars under this proposal. However, the Telecommunication Study Committee is committed to holding localities harmless in this reform.

City of Norfolk: The City of Norfolk requests that the General Assembly consider any telecommunications tax restructuring only as part of a comprehensive tax reform.

Status Update: Final position pending release of the SJR 347 final report and recommendations of Governor Warner.

C. Education Funding – Standards of Quality Levels

City Position: The City requests that the General Assembly accept and fund the July 2003 re-benchmarking recommendations by the state Board of Education for funding of the SOQ's. The City of Norfolk requests that all state aid for K-12 Education be exempted from spending reductions used to balance Virginia's continuing budget deficits.

Status Update: Final position pending release of the Governor Warner's proposed biennial budget.

D. DEQ Permit Fees and Surcharges

Background: When the 2002 budget bill cut the Department of Environmental Quality's general fund allocation by almost \$6.2 million, the General Assembly recovered this loss by tripling environmental permit fees temporarily. The 2002 General Assembly also directed the Secretary of Natural Resources to develop a long-term plan to adequately fund DEQ's water, waste and hazardous waste programs. The final plan is due by November 2003.

DEQ charges fees to administer environmental permits for any facility discharging wastewater (municipal and industrial), for water withdrawals, for storm water permits, for hazardous waste facilities, and for municipal solid waste landfills. Based on current economic projections, substantial increases in general fund revenues to DEQ for this program are unlikely.

DEQ has recommended applying several fees to traditional local government services in order to raise additional revenues.

City Position: The City of Norfolk opposes the imposition of a state fee, tax or surcharge on water, sewer, solid waste or any other local government service. The City recommends that state general funds be used to offset any budget reductions to the VA Department of Environmental Quality.

Status Update: Final position pending release of the Governor Warner's proposed biennial budget.

E. Statewide Water Planning

In response to the droughts of 2002, the Governor initiated a State Water Supply Planning effort in the 2003 General Assembly session. Over the past year, a Technical Advisory Committee has met to develop regulations for the statewide plan. The TAC has recommended draft regulations and recommends an additional year of work to complete its work.

City Position: The City of Norfolk supports any statewide plan that ensures that municipal interests are represented and protected. The City requests that the State Water Supply Technical Advisory Committee continue for an additional year to complete the work of establishing regulations for the plan.

Status Update: Draft regulations have been completed. The request is for an additional year of work for the TAC to complete its oversight work.

SUPPORT FOR OTHER ORGANIZATIONS

Hampton Roads Planning District Commission – BRAC '05

Support an appropriation of \$100,000 to assist with funding activities related to the next round of federal military Base Realignment and Closures.

NAUTICUS – Port of Virginia: Gateway to the World Exhibit

Support an appropriation of \$250,000 for the Port of Virginia exhibit.

Norfolk State University

Support an appropriation of \$16 million over the biennium for renovation of the recently purchased Norfolk Community Hospital. Additionally, the University will be requesting \$4 million for wiring to enable student technology access.

Old Dominion University

Support an appropriation of \$24 million for educational offerings (200 faculty members) and increased student enrollment.

Regional Competitiveness Act

Support the re-enactment and funding of the Regional Competitiveness Act, which has funded the Hampton Roads Partnership, and other regional priorities in recent years.

Hampton Roads Regional Jail

Support an appropriation amendment to exempt the Hampton Roads Regional Jail Authority and its member jurisdictions from the “jail moratorium”, in order to proceed in planning for the possible expansion of the secure detention space at the Hampton Roads Regional Jail and/or within the member jurisdictions.

Tidewater Community College

Support an appropriation for the consolidation of all administration functions and staff of TCC at the Norfolk Campus.

UNRESOLVED AND FUTURE GENERAL ASSEMBLY ISSUES

A. Hampton Roads Sports Facility Authority

Background: During the 2003 General Assembly session, the House of Delegates defeated legislation to extend the sunset date and renew certain provisions of the Hampton Roads Sports Facility Act (HRSFA).

The brief history of the statute is as follows:

- In 1996 the original HRSFA was passed.
- In 1997 a bill was passed amending the 1996 act by expanding the “tax capture” provisions to include not only state sales tax but also personal income taxes and corporate income taxes. The bill, however, had a sunset clause effective January 1, 2002.
- In 2002 a bill was introduced and presumed passed that extended the sunset provisions and made some other technical modifications to the bill.
- In 2003 a bill substantively identical to the 2002 bill was introduced to the General Assembly. That bill did not pass since the House of Delegates’ rules deemed the legislation, “special in nature”, thereby requiring a super-majority (2/3) vote for passage.

City Position: In a future General Assembly session the City will seek to revive the 1997 and 2002 amendments once new strategies have been developed.

B. City Charter Change: Popular Election of Mayor

Background: In 2000 the citizens of Norfolk passed an advisory referendum to allow for the popular election of the Mayor of Norfolk. In order to establish such a practice, changes will need to be made in several areas including the number of members of council and the geographical makeup of wards. The City Council needs to determine the direction and timing of this issue.

C. Norfolk Light Rail MOS

Background: State assistance is needed for the development of an alternative to passenger and bus service for Light Rail Transit system (LRT) initially in Norfolk and subsequently to the region. The City advocates a partnership with the Federal and State governments in this initiative. In October 2002, the Federal Transit Administration (FTA) gave notice to the Hampton Roads Transit Authority (HRT) that it will allow planning for the eight-mile rail line to proceed to the next stage, preliminary engineering. A financial commitment with the State needs to be established. In a future General Assembly session, the City will request that the Commonwealth of Virginia be a partner in funding the Norfolk

Light Rail Minimal Operating Segment. Further development of the Norfolk LRT MOS is pending a decision by the Federal Transit Administration in the FY05 New Starts Report.

STANDING POSITIONS AND GUIDING PRINCIPLES

Local Autonomy

Goal -- The City of Norfolk urges the General Assembly to preserve local prerogatives over matters traditionally and best governed at the local level, such as land use and zoning.

Public Safety

The City of Norfolk supports efforts to deal with all aspects of crime in the community to insure the safety and welfare of all residents, including the rights of victims of criminal offenses.

State Aid Formulas

Goal -- The General Assembly is urged to enact equitable funding in the areas of public education K-12, at-risk youth, juvenile detention services, community services (mental health), public safety, jails, libraries, highways and transit alternatives.

The City of Norfolk opposes actions to distribute monies through state aid formulas which are based on obsolete factors or do not provide proper consideration of historical funding, consideration of the citizens' demand for services, or consideration that many cities exhibit a much higher level of fiscal stress than other Virginia localities.

Taxing Authority

Goal -- The General Assembly is urged to preserve the taxing authority of local governments. The City of Norfolk must oppose any reduction or narrowing in taxing authority without equitable replacement of such authority.

Telecommunications

Goal -- The City of Norfolk maintains that local governments and their taxpayers are entitled to a fair return for private business' use of public property (including public rights-of-way by telecommunications providers) and for reimbursement for all costs associated with those uses.

Transportation

Current transportation needs outweigh their funding sources, particularly the gas tax in Virginia. The City supports greater funding for transportation needs and urges local involvement in the search for transportation solutions.

Unfunded Mandates

The City supports the identification and provision of necessary funds that adequately support the mandates placed on local governments by the Commonwealth of Virginia.

Additionally, when local governments fund a program above the minimum requirements established by state statute, the Commonwealth should refrain from enacting new appropriations for that program tied to a new “maintenance of effort requirement”. Specifically, localities should not be prohibited from reducing their voluntary level of funding and be entitled to the new monies.

Voluntary funding, such as for “public education programs”, should be at the local government’s discretion and not impact our ability to equally access as any other community supplementary state funds.